IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

WEDNESDAY, THE SIXTEENTH DAY OF MARCH
TWO THOUSAND AND FIVE

PRESENT

THE HON'BLE MR JUSTICE N.V. RAMANA

WRIT PETITION NO : 13261 of 1997

Between:

1 M/s Krishna Ceramics & Refractiores Hukumpeta,Rajahmundry
Rep.by its Managing Partner,B.Ravindra Kumar,
S/o Hanumaiah R/o Rajahmundry.
2 M/s Ferok Tile Works,Rajahmundry,rep.by its Director
B.Ravikiran,S/o B.Ravindrakumar, R/o Rajahmundry.
3 M/s Sri Lakshmi Potteries,Morampudi Road,Rajahmundry,
Rep.by its Prop.Smt.B.Sita Kumari,W/o Ravindrakumar
R/o Rajahumndry.
4 M/s Kiran Priya Ceramic Industries,Hukumpeta,Rajahmundry
Rep.by its Prop.B.Ravindra Kumar,S/o Hanumaiah
R/o Rajahmundry.
5 M/s Ravi Roshan ceramics,Repallivada,Tanduru Mandal,
Adilabad district by its Prop;B.Venkateswara Rao
S/o Hanumaiah R/o Repallevad.
6 M/s Ravi Sankar Ceramics,Morampudi Road,Rajahmudnry,
E.G.District,Rep.by its Managing Director,Brahmaji Rao,
S/o Venkateswara Rao, R/o Rajahmundry.
7 M/s Venkatarama Ceramics,Morampudi Road,Rajahmundry
E.G.distirct.Rep.by its Prop:D.Rama Rao,S/o Subbaiah
R/o Rajahmundry, E.G.District.
8 M/s Annapuran Insulation,Hukumpeta,Rajahmudnry,Rep.by its
Managing Partner,K.Krishna Rao,S/o K.Sriramulu
R/o Rajahmudry, E.G.District.

..... PETITIONERS

AND

Singareni Colleries Company Ltd., Rep.by its Chairman,Hyderabad.

.....RESPONDENT

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court may be pleased to issue an order, direction or any appropriate writ more particularly in nature of writ of mandamus declaring the action of the respondent in treating the petitioners as unliked customers and collecting 20% additional levy on notified prices of coal as per price Notification No.3/96-97,dt.14-3-97 issued by it as irrational arbitrary, discriminatory and violative of Art.14 of constitution of India and restrain the respondent from collecting 20 additional price from the petitioners and consequently direct the respondent to refund the amounts already collected from the petitioners.

Counsel for the Petitioners: MR.CH.DHANAMJAYA

Counsel for the Respondent: MR.K.SRINIVASAMURTHY

The Court made the following:

ORDER:

Challenging the action of the respondent in treating the petitioners as unlinked customers and charging 20% of additional price on notified price of B, C and D Grades of Coal under Clause 10 of the Price Notification No.3/96-97, dated 14.03.1997 from the petitioners, the present writ petition is filed.

It is submitted by both counsel that the subject matter of this writ petition is squarely covered by the Division Bench judgment of this Court in W.P.No.21136 of 1997 and batch, dated 31.03.1998, wherein this Court elaborately considered the matter and dismissed the writ petitions. The operative portion of the order reads as under;

> ..... The paramount consideration in placing them in core sector and extending them the benefit of linkage is their intrinsic importance and the role they play in national building activities and the propensities of public utility they possess. The same considerations will hold good even for charging lesser price from them. The special importance has been given to those core industries because the requirement of coal are on high side either for captive power generation or for other uses in manufacturing operations. Any substantial increase in the price of coal will have a substantial effect on the cost of finished products of vital importance and the cost of service to public. As regards the reason for including cement industry in the core sector, it is explained by the respondents counsel in the form of written note that 70% of the cement manufactured in the country is utilized by the Central or State Governments for the construction of projects, Bridges, roads etc. Any increase in the price of coal will result in the increase of cost of cement and the additional expenditure/cost will have a chain reaction on the budgetary allotments and require additional funds. Moreover, it is to be noted that in the case of cement and steel industries as well as the other priority consumers, the consumption of coal is quite high; whereas in the case of non-linked industries, the coal consumption is minimal and the increase in the price of coal will not result in any appreciable increase in the cost of such products manufactured by non-linked sector. Thus, the nature and importance of the industry or consumer from the national perspective, the extent of consumption of coal either for captive power generation or for use in the manufacture legitimately call for a special treatment as far as these customers are concerned. By charging lesser price to such industries or consumers and by evolving dual price policy, it cannot be said that that equals are treated unequally or that the classification does not rest on rational basis. We fail to understand how the respondent-Company had practised an incidious or hostile discrimination. On the one hand, the objective of dual pricing policy seems to be to ensure that the core sector industries or customers are not unduly burdened with price increase, while at

the same time the company gets adequate return for its products so as to cover the financial deficit. The colliery can take full advantage of the decontrol and generate additional funds to balance its budget and, so to say, to make both ends meet. We are, therefore of the view that charging lesser price from classified core linked industries does not give rise to hostile discrimination. Hence, we find no substance in the contention based on Art.14.

The writ petitions must therefore fail and are dismissed with consolidated costs of Rs.1,000/- in each writ petition.

In the circumstances, following the above judgment, this writ petition is also dismissed for the same and similar reasons. No costs.

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N.V. RAMANA, J.

Date: 16.03.2005

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To

1. The Chairman, Singareni Collieries Company Ltd., Hyderabad.

2. 2 CD copies

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